



NAVAL AVIATION VISION  
2020







# THE RIGHT COST







# THE NAE'S COST MANAGEMENT TEAM (CMT)

The NAE has embarked on a journey to deliver Cost-Wise Readiness, requiring a dramatic shift in our acquisition and spending philosophies. We must become better stewards of our resources because we can no longer afford to deliver readiness at *any* cost, as we have in the past. Our challenge instead is to deliver the *right amount of readiness at the right cost*, so that money can be saved and returned to the Navy and Marine Corps to recapitalize the Fleet. The NAE cannot persevere with a “business as usual” mentality. We must understand what is required to adequately fund Naval Aviation, spend only that, and return the resources we don’t need so that they can be used to fund the future.

To help achieve the goal of Cost-Wise Readiness, the NAE construct includes a CMT, chaired by the Chief Financial Officer (CFO) of the NAE (OPNAV N78) and the Director of Fleet Readiness (OPNAV N43). One of the NAE’s measures of success is achieving measurable cost savings across the Enterprise and to reinvest those savings to recapitalize the future Navy and Marine Corps. To this end, the NAE’s mission, spearheaded by the CMT, is to deliver the maximum product per dollar to Naval Aviation. By developing strategic cost management processes and financial metrics, the CMT will plan and manage the NAE’s total cost structure as a holistic enterprise in harmony with NAE goals.

The CMT will perform financial planning and analysis for the NAE, leveraging existing processes and organizational structures to budget, forecast, and manage costs. Their responsibilities include:

- Evaluating the financial soundness of programs and proposals
- Implementing a holistic NAE strategic cost management process and related tools
- Analyzing key cost drivers and excess resources and targeting them for reduction
- Developing a collaborative Enterprise financial planning and analysis organization

These responsibilities will require a strong partnership with existing financial organizations and Enterprise stakeholders who are responsible and accountable for the funds they manage.